

REMARKS

Claims 1-38 are pending in this application. Claims 1-38 are rejected.

Claims 1-3, 5, 6-7, 9-24, 31, and 35 have been amended. The amendments to these claims are fully supported by the specification. No new matter has been added.

I. Response to the Obviousness Rejection

Applicant notes that the Examiner's only basis for rejecting the present application in the current Office Action is under 35 U.S.C. § 103(a). More specifically, claims 1-38 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Cooperstein in view of the Examiner's notice. However, all the features of the claims are not described or suggested by Cooperstein.

For example, with respect to claims 1-38, Cooperstein does not provide an option or the ability to surrender or for surrendering an annuity contract during the payment or payout phase of the annuity contract. The specification in Cooperstein specifically provides features to prevent the annuity contract from being surrendered. This is an example distinguishing point. Each claim stands on its own and may have additional features not described or suggested by Cooperstein. Furthermore, Cooperstein does not describe or suggest a specific association between an annuity contract that has a payout phase to specific age (e.g., 100) and an option to withdraw a portion or surrender the annuity contract during the payout phase. Accordingly, reconsideration and withdrawal of the rejection are requested.

II. Examiner Fails to Establish Prima Facie Obviousness

Moreover, Applicant respectfully traverses the Examiner's obviousness rejection. Applicant first contends that the Examiner did not support a prima facie case of obviousness. With respect to one key distinguishing feature between the present invention and the prior art, Applicant notes that the Examiner merely relies on common knowledge of one of ordinary skill in the art, without providing documentary evidence, as prescribed in MPEP § 2144.03.

According to the United States Court of Appeals for the Federal Circuit should be rarely applied and in instances where the facts asserted are "well-known" or are "common knowledge in the art" such that they are "capable of instant and unquestionable demonstration as

being well-known" as to "defy dispute." MPEP § 2144.03(A) (citing *In re Ahlert*, 424 F.2d 1088, 1091 (CCPA 1970) and *In re Knapp Monarch Co.*, 296 F.2d 230 (CCPA 1961)). "Furthermore, assertions of technical facts in areas or esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art." *Id.* (citing *In re Ahlert*, at 1091).

In the current Office Action, however, the Examiner alleges without a citation or documented basis that "it would have been obvious to one of ordinary skill in the art to modify the system and method Cooperstein for annuity valuation to include features as shown in the instant application." Pursuant to MPEP § 2144.03(B), the Examiner must provide specific factual findings predicated on sound technical and scientific reasoning to support the conclusion that one of ordinary skill in the art would be so aware of such modification.

More specifically, the Examiner suggests that the Cooperstein would be capable of performing the intended use. The Examiner, however, relies on an unfounded inference allegedly supported by Cooperstein. Cooperstein provides no teaching or suggestion of this intended use. Applicant respectfully submits that the Examiner appears to rely on the fact that Cooperstein involves an automated annuities system performed on a computer. Yet, simply because a computer is utilized, it is not necessary that the computer can and would perform the intended use. In accordance with MPEP § 2144.07, Applicant contends that introducing a novel functionality permitting withdrawals *during the payout phase*, cannot be characterized as an intended use of a computer system relating to annuities. The computer would require specific programming for it to be capable of the intended use, but no such programming is disclosed in Cooperstein.

In light of Applicant's challenge of the Examiner's reliance on common knowledge to one of ordinary skill in the art, Applicant requests the Examiner to produce documentary evidence in the next Office Action if the rejection is to be maintained. See 37 CFR 1.104(c)(2); *see also, In re Zurko*, 258 F.3d 1379 (Fed. Cir. 2001).

In the Action, the Examiner a number of conclusory statements. Applicant clarifies that such statement are not being conceded but are not specifically addressed here in order to expedite the prosecution.

Conclusion

In light of the foregoing amendments and remarks, Applicant respectfully requests the entrance of the amendments and the removal of the rejections, and respectfully solicits a Notice of Allowance.

Applicants invite the Examiner to contact Applicants' representative, designated below, should any further elaboration be required or if the Examiner has any suggestions to further expedite allowance and issuance of this case.

Respectfully submitted,

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Date



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